



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 25, 2007 REPORT NO: 07-077

ATTENTION: Council President and City Council
Docket of May 3, 2007 (Budget Hearing)

SUBJECT: Metropolitan Wastewater Department Business Process Reengineering

REFERENCE: Metropolitan Wastewater Department Business Process Reengineering Report

REQUESTED ACTION:

Accept the recommendations of the Metropolitan Wastewater Department Business Process Reengineering (BPR) Study which is incorporated into the FY2008 Proposed Budget.

STAFF RECOMMENDATION

Authorize the Resolution.

BACKGROUND

The Mayor of the City of San Diego launched a Business Process Reengineering (BPR) initiative to improve the efficiency of services provided by the City of San Diego. This initiative involves reengineering processes and the investigation of benchmarks and best management practices as the basis for City departments to develop their Most Efficient Organizations (MEO). To support the Mayor's BPR initiative, and as part of its planned continual improvement efforts, the Metropolitan Wastewater Department (MWWD) conducted a comprehensive BPR study from June 10, 2006 through December 15, 2006. This significant study was designed to streamline and increase the competitiveness of the MWWD workforce in preparation for the Public Contract Operations (Bid to Goal) process.

MWWD pioneered and implemented the Bid to Goal optimization strategy 10 years ago to adapt the most appropriate aspects of private sector utility operations to the public sector. The strategy has been nationally recognized as a significant advancement in optimizing government organizations by systematically assessing and improving business practices and operations to attain benchmarked service levels, including budgets, to deliver those services at levels competitive with private market providers as appropriate (that is, exclusive of inherently governmental functions). For this study, the scope of previous 5-year Public Contract Operations Agreement was expanded to include support functions, as well as to update

operational and maintenance benchmarks to account for advances in best industry practices and technology, and changes in the competitive marketplace.

As in past Bid to Goal efforts, MWWD strongly values employee participation and continues to partner with affected Labor Organizations (MEA and AFSCME Local 127). Both Labor Organizations spoke at the official MWWD BPR/Bid to Goal BPR kickoff meeting and were consulted concerning membership of the divisional BPR teams. These teams held numerous meetings and conducted detailed analyses of MWWD's business processes. Summary meetings with MEA and Local 127 leadership were held monthly to review the status of the BPR, solicit labor organization input, answer questions about the project, and discuss any anticipated barriers to progress. Throughout, employee input from all organizational levels was vital to the significant process efficiencies identified.

Utilizing this hybrid process of incorporating BPR with the Bid to Goal strategy, MWWD conducted the largest BPR in the City to date. Six divisional BPR teams were chartered to investigate relevant process benchmarks and to study reengineering opportunities for work processes and organizational structures required to accomplish MWWD's mission. Analyses were then combined to assure appropriate organizational synergies and eliminate any redundancies or tendencies for organizational "siloeing."

The MWWD MEO is the result of innovative ideas from multiple sources including research of industry benchmarks and best practices, peer utility agency reviews, industry expert assessments, and internal staff analysis of processes to streamline and maximize efficiency and effectiveness. The MEO meets the private market operating budget analyzed by a third party industry expert. The purpose of this analysis was to establish a budget level competitive with private service providers to ensure the MEO developed is as efficiently as possible. The specified service levels and the private market budget analysis were reviewed by the partnering Labor Organizations and the Operations Subcommittee of the Public Utilities Advisory Commission (PUAC), and were approved by the PUAC.

The Meet and Confer process for the impacts of the MEO implementation on MWWD began on February 13, 2007 with both Labor Organizations participating fully. The major changes that will be implemented include a reorganization of the department with support functions consolidated into a single division, relocation of the Stormwater Pollution Prevention Division to the General Services Department, streamlining of many specific processes to improve effectiveness and efficiency, reduction of management and supervisory positions, and modifications to shifts and schedules to decrease overtime and improve efficiencies.

Affected Positions and Service Level Impacts

The initial recommendations called for the elimination of 188.3 positions. Through reclassification, some existing positions and 30.5 of the positions initially proposed for elimination will be converted into classifications which more appropriately support the effective functioning of MWWD's MEO. These reclassifications result in a net total of 157.8 positions proposed for elimination. A detailed listing of position changes is provided below. All staffing changes are in support of the MWWD MEO and will be accomplished with minimal impact to service levels.

Administrative Services Division (consolidation of Information & Organizational Support Division and Services and Contracts Division): Department Human Resources (including Organizational Effectiveness/Development, Payroll, Records Management, Training, and Safety), Department Finance (including Operating and CIP Budgets, Rate Case, Grants, Accounting, Participating Agency billing, Fiscal Analysis, and Contracts Management), and Department Information Systems (including Data Processing Corporation Support).

The staffing adjustments in this division are primarily related to streamlining due to merging two divisions into one, centralization of contracting functions in the Purchasing & Contracts Dept., centralization of the information systems functions in the City Information Dept., support functions for the centralized engineering functions under the Engineering and Capital Projects Department, changes in workload, and centralization of administrative functions including payroll services and fiscal analysis.

Eliminated:

- 1 Account Clerk; filled
- 1 Account Clerk; vacant
- 1 Administrative Aide I; vacant
- 3 Associate Engineers – Civil; vacant
- 1 Associate Engineer – Electrical; vacant
- 2 Assistant Engineers – Electrical; vacant
- 3 Clerical Assistants II; 1 filled, 2 vacant
- 1 Clerical Assistant II; vacant
- 1 Deputy Director; vacant
- 6 Information System Technicians; vacant
- 1 Principal Engineering Aide; filled
- 1 Program Managers; vacant
- 4 Public Information Clerks; 3 filled, 1 vacant
- 1 Safety Officer; filled
- 2 Safety Officers; vacant
- 1 Safety Representative II; vacant
- 1 Senior Civil Engineer; vacant
- 1 Senior Clerk Typist; vacant
- 1 Senior Clerk Typist; vacant
- 1 Senior Management Analyst; vacant
- 1 Senior Management Analyst; vacant
- 1 Stock Clerk; vacant
- 1 Student Engineer; vacant
- 2 Word Processing Operators; 1 filled, 1 vacant

FTE Eliminated	39
Filled	8
Vacant	31

Environmental Monitoring & Technical Services Division: Ocean Monitoring Program, Wastewater Chemistry Laboratory, Industrial Wastewater Control Program, Industrial Waste

Laboratory, Regulatory Permitting/Compliance, Marine Microbiology and Vector Management, Marine Biology, Toxicology, Wastewater Research, and Legislative Analysis.

The staffing adjustments in this division are primarily related to streamlining efforts involving the elimination of supervisory, management and administrative personnel. The division also eliminated non-core functions and eliminated staff due to reductions in regulatory requirements achieved through negotiations with regulatory agencies.

Eliminated:

- 1 Assistant Deputy Director; vacant
- 1 Assistant Laboratory Technician; vacant
- 1 Associate Chemist; vacant
- 2 HazMat Inspectors II; vacant
- 2 Laboratory Technicians; vacant
- 1 Senior Clerk Typist; vacant
- 1 Senior Clerk Typist; vacant
- 1 Word Processing Operator; vacant

FTE Eliminated	10
Filled	0
Vacant	10

Engineering and Program Management Division: Program Management, Long Range Planning, Condition Assessment, Special Studies, Value Engineering, Hydraulic Modeling, Flow and Load Projections, Schedule & Cost Control, Environmental Support, Energy Engineering.

The staffing adjustments in this division are primarily related to the centralization of selected engineering functions under the Engineering and Capital Projects Department and reductions in supervisory positions.

Eliminated:

- 1 Assistant Engineer – Civil; vacant
- 1 Assistant Engineer – Mechanical; vacant
- 2 Associate Engineers – Civil; vacant
- 2 Associate Engineers – Civil; 1 filled, 1 vacant
- 1 Associate Engineer – Mechanical; filled
- 1 Clerical Assistant II; vacant
- 1 Project Officer I; filled
- 0.5 Senior Civil Engineer; vacant
- 1 Senior Clerk Typist; vacant
- 0.5 Student Engineer; vacant
- 0.3 Word Processing Operator; vacant

FTE Eliminated	11.3
Filled	3
Vacant	8.3

Wastewater Collection Division: Operations Engineering Services, Food Establishment/Grease Discharge Control, Sewer Main Cleaning, Sewer Main Repairs, Sewer Manhole Repairs, Sewer Closed Circuit Television Inspection, Pump Station Operations Maintenance, Interceptor Station Operations Maintenance.

The staffing adjustments in this division are primarily related to optimizing work processes, schedule changes, centralization of engineering services and adoption of best management practice recommendations for sewer cleaning crew production standards. The changes also reflect staff reductions due to enhanced effectiveness of sewer flow monitoring services.

Eliminated:

- 2 Assistant Engineers – Civil; filled
- 1 Clerical Assistant II; filled
- 9 Equipment Operators I, 5 filled, 4 vacant
- 6 Equipment Technicians I, vacant
- 4 Equipment Technicians I; vacant
- 1 General Water Utility Supervisor; vacant
- 2 Laborers; 1 filled – 1 vacant
- 2 Principal Engineering Aides; vacant
- 1 Senior Clerk Typist; vacant
- 1 Senior Drafting Aide; filled
- 13 Senior Engineering Aides; 11 filled, 2 vacant
- 1 Senior Engineering Aide; vacant
- 37 Utility Worker I; 27 filled, 10 vacant
- 6 Water Utility Workers; vacant
- 2 Water Utility Supervisors; filled
- 2 Water Utility Supervisors; vacant

FTE Eliminated	90
Filled	50
Vacant	40

Wastewater Treatment and Disposal Division: Wastewater Treatment, Water Reclamation, Biosolids Management, Treatment Plant Maintenance, major Pump Stations, Operations Maintenance Support, Central Operations Management Center (COMC), Central Operations and Management Network (COMNET).

The staffing adjustments in this division are primarily due to work schedule optimization, creation of “rover” personnel to enhance flexibility and improve response times, elimination of minimum staffing requirements and reductions in supervisory personnel.

Eliminated:

- 1 Account Clerk; vacant
- 2 Associate Engineers – Civil; filled
- 1 Building Services Supervisor; vacant
- 1 Clerical Assistant II; vacant
- 1 Heavy Truck Driver II; vacant
- 1 Instrumentation and Control Supervisor; vacant
- 1 Payroll Specialist II; vacant
- 2 Plant Process Control Supervisors; 1 filled, 1 vacant
- 1 Plant Technician Supervisor; vacant
- 4 Power Plant Operators; 1 filled, 3 vacant
- 1 Pump Station Operations Supervisor; filled
- 1 Pump Station Operator; vacant
- 1 Senior Plant Technician Supervisor; vacant
- 1 Senior Clerk Typist; filled
- 2 Senior Wastewater Operations Supervisors; filled
- 4 Senior Wastewater Plant Operators; 1 filled, 3 vacant
- 4 Wastewater Operations Supervisors; 3 filled; 1 vacant
- 3 Wastewater Operations Supervisors; vacant
- 4 Wastewater Plant Operators; vacant
- 1 Wastewater Plant Operator; vacant
- 1 Word Processing Operator; vacant

FTE Eliminated	38
Filled	12
Vacant	26

FISCAL CONSIDERATIONS:

An estimated cost avoidance of approximately \$110 million will be attained over the next five years as MWWD meets its MEO Budget Objectives.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The specified service levels and the private market budget analysis were reviewed by the partnering Labor Organizations (MEA and Local 127), and the Public Utilities Advisory Committee which approved them in public forum.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The work related impacts of accomplishing the MEO are being appropriately covered with the San Diego Municipal Employees Association (MEA) and AFSCME Local 127 in the Meet and Confer process.

It is anticipated that City residents (Sewer Ratepayers) will experience no adverse impact to service levels.



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